

**There Are Great Things Happening in Michigan.
October 2007**

MICHIGAN CAN GIVE YOU THE UPPER HAND

General Motors and the UAW made headlines worldwide with their historic agreement shifting \$50 billion in health-care obligations to a union-run fund, an innovative solution that will help domestic automakers overcome their \$1,200 per-car cost disadvantage to foreign-based manufacturers. The state legislature followed suit by approving an FY08 budget plan with a combination of reforms and new revenues, putting the state on solid fiscal ground and avoiding a detrimental government shutdown. Major destination attractions opened recently in Michigan, giving people even more reason to travel to and

within the state. The five-star JW Marriott in Grand Rapids—the first in the Midwest—and the \$800 million MGM Grand casino complex in Detroit are two luxury hotels that opened within days of each other. More than 30 retail developments worth \$1 billion in Wayne, Oakland and Macomb counties are in progress. It includes the Universal Mall redevelopment in Warren, the Mall at Partridge Creek in Clinton Township and a second full-line Nordstrom's store, this one at Twelve Oaks in Novi. Other signs of renewal abound, as the following highlights show.

CITY AND STATE RANKINGS, AWARDS AND ACHIEVEMENTS

GROUND BREAKINGS, RIBBON CUTTINGS

The \$100 million JW Marriott luxury hotel in Grand Rapids opened on September 21. It is the only Marriott in the Midwest among 16 in the United States and a total of 36 worldwide. Chicago won't get its first for about two years. The \$805 million MGM Grand Detroit luxury hotel/casino/spa/entertainment complex opened October 2. Wayne State University's School of Medicine broke ground on September 17 for a \$35 million facility adding the latest in classroom technology. Asian Village of Detroit, an 18,000 square-foot multi-restaurant development, celebrated its grand opening September 21. It is located on the ground floor retail space of General Motors' parking garage on Beaubien Street just east of the Renaissance Center. In its second major expansion in three years, auto supplier Behr America is moving more than 270 employees into a new three-story office building at its Troy North American HQ and tech center.

DETROIT GRAND PRIX RACE AT BELLE ISLE EXCEEDS EXPECTATIONS

The first Grand Prix auto race in Detroit since 2002 was an unqualified triumph, with perfect Labor Day weekend weather and an exciting finish for the race on Belle Isle. The Michigan Economic Development CorporationSM (MEDC) sponsored event drew more than 100,000 race fans, reporters, political leaders and business executives. A national and international



television audience saw spectacular images of Detroit, sending the world yet another positive and upbeat picture of the city and Michigan. About 1,100 volunteers supported an extremely organized effort to welcome visitors and helped ensure the event's success.

MICHIGAN'S FALL COLOR FEATURED ON NBC'S TODAY SHOW

Michigan's Upper Peninsula was the opening destination on the fall foliage segment on The Today Show September 27. Peter Greenberg, travel editor for The Today Show, featured a segment titled '8 Great and Unusual Fall Foliage Destinations'

CITY AND STATE RANKINGS, AWARDS AND ACHIEVEMENTS

that highlighted Michigan's Upper Peninsula. Accompanied by great fall color footage, the segment described Michigan's scenic trails and outdoor recreational opportunities. Watch the coverage online, www.msnbc.msn.com/id/20997833.

MEDC'S TRAVEL MICHIGAN HOSTS INTERNATIONAL WRITERS

The MEDC's Travel Michigan department hosted two international travel 'fam' (familiarization) tours this week. A group of 10 German travel agents spent four days traveling in Michigan, learning about the variety of travel and tourism opportunities throughout the state. In addition, a travel writer from the U.K. is currently traveling in Michigan doing research for a two-page article on the Great Lakes region for the Western Morning News/The Herald newspapers.

Travel Michigan is a division of the MEDC and is the State of Michigan's official agency for tourism promotion.



MICHIGAN'S FIRST WIND ENERGY CONFERENCE A SUCCESS

The state's first Wind Energy Conference, held at Michigan State University Sept. 10-11, attracted 280 participants and provided opportunities for further advancing the growing alternative energy industry in Michigan. The event was a partnership between NextEnergy, MSU and the MEDC. Wind energy is an important component of the MEDC's alternative energy and fuels cluster strategy. According to a recent study, Michigan ranks #2 in the nation for overall wind impact based on its wind generation potential and wind system production capacity.

FEDERAL GOVERNMENT CONTRACTS:

The director of the state's new Defense Contract Coordination Center, retired Marine Major General Bradley Lott, has set a goal of doubling the number of military contracts coming to Michigan companies over the next three years. Michigan won \$3.8 billion of military business in 2004. Ann Arbor-based Advanced Photonix has received a \$1 million order for light emitting diode arrays used for night vision displays by the U.S. military. Rockville, Maryland-based Emergent BioSolutions (formerly BioPort) has won the largest contract ever for its Lansing-produced anthrax vaccine, up to \$448 million through September 2010 from the U.S. Department of Health and Human Services.

NONSTOP MICHIGAN-CHINA FLIGHTS ARE BACK

Northwest Airlines has been awarded tentative authority to fly daily nonstops between Detroit and Shanghai starting March 2009. Also starting in March are daily nonstop flights by China Southern Airlines between Beijing-Detroit.

MICHIGAN BUSINESSES TO BENEFIT FROM WORKERS' COMP RATE REDUCTIONS

Premium rates for workers' compensation insurance are expected to drop an average 2.4 percent in 2008, continuing a long-term downtrend. The rate average has dropped by 35.9 percent over the past 10 years.

DETROIT RENAISSANCE IS MEDC'S NEWEST CORPORATE PARTNER

The leadership of Detroit Renaissance has signed an official cooperation agreement with the MEDC, which has now has signed partnerships with 132 economic development organizations and communities across the state. Detroit Renaissance is led exclusively by the CEOs of the region's most prominent companies and universities. Its goals are to accelerate the redevelopment of Detroit and to transform southeast Michigan's economy.

CITY AND STATE RANKINGS, AWARDS AND ACHIEVEMENTS

SOUTHWEST MICHIGAN FIRST HAS AWARD-WINNING YEAR

Southwest Michigan First representing the Kalamazoo region has won two economic development awards for excellence from the International Economic Development Council (IEDC), for Overall Marketing and Multi-Year Economic Development programs. IEDC is the world's largest organization of economic development professionals based in Washington, D.C. Other honors this year include #18 on Fast Company magazine's list of the country's 'Fast 50' and the CoreNet Global Economic Development Leadership award.

MICHIGAN AEROSPACE MANUFACTURERS FORM INDUSTRY ASSOCIATION

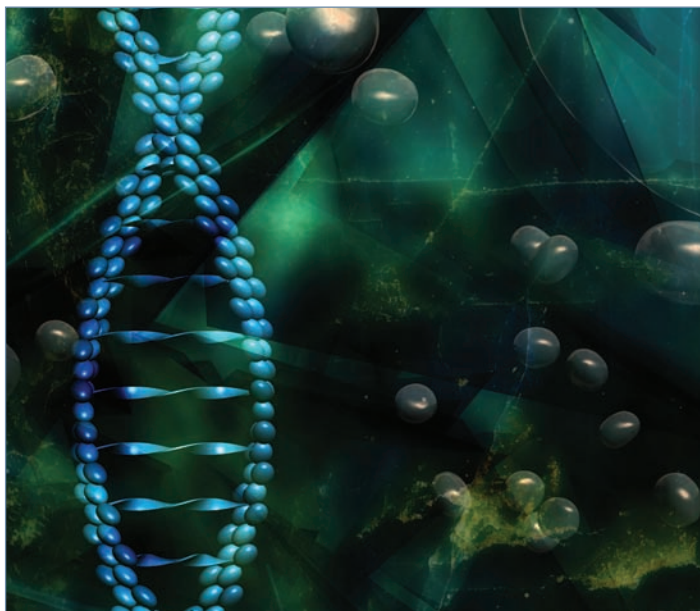
The state's aircraft builders and suppliers have formed The Michigan Aerospace Manufacturers Association to represent the industry and promote the state's aerospace manufacturing community within the global industry. The group, initially comprised of 17 manufacturers, will be based in Ada. Visit www.michman.org for more information.

MICHIGAN RISES TO TOP OF MIDWEST VENTURE CAPITAL LIST

Michigan has moved to first place from last in venture capital investment among the Midwestern states in the second quarter of 2007, and from 28th to 20th nationally in the first quarter. Major recipients include Ann Arbor-based life science firms Accuri Cytometers (\$5 million) and Meditrina Pharmaceuticals (\$4.4 million), both of which won funding awards in the 21st Century Job Fund competition a year ago and QuatRx Pharmaceuticals (\$44 million). Rankings were compiled by the National Venture Capital Association and PricewaterhouseCoopers.

MICHBIO EXPO SET FOR OCT. 16-17; NEW LIFE SCIENCES DIRECTORY AVAILABLE

MichBio, the association for the state's life sciences industry, will hold its annual Expo October 16-17 at the Lansing Center. In connection with the Expo, the 2007-08 Michigan Life Sciences Directory and Resources Guide is now available from MichBio. It contains a complete listing of more than 570 biotech-related companies. This is the second edition of the



industry directory first published in 2006 by the MEDC in collaboration with MichBio. Directories are available in print and CD versions for \$27.50 which includes postage and handling. They can be ordered online at www.michbio.org or by calling 734.615.9670.

ANN ARBOR RECOGNIZED BY FAST COMPANY MAGAZINE

Ann Arbor was named one of three worldwide Startup Hubs in 'Cities on the Verge' in the July/August 2007 issue of Fast Company magazine with the comment: "These great urban centers almost made our list of the most innovative cities." The other two Startup Hubs are Bozeman, Montana and Beijing, China. Other categories in the rankings include Global Villages, R&D Clusters and High-Tech Hot Spots. Archived at www.fastcompany.com

LANSING'S OLD TOWN WINS NATIONAL COMPETITION

Competing with more than 50 cities nationwide for a \$50,000 makeover from Swedish home furnishings retailer IKEA, Lansing's Old Town won the 'Small Businesses, Big Dreams' contest, which includes a \$5,000 cash prize. The company's designers will visit Old Town to draw up a plan for 10 businesses and organizations. IKEA made the final decision after Lansing's artsy business district won the public vote portion

CITY AND STATE RANKINGS, AWARDS AND ACHIEVEMENTS

of the contest. The makeovers will be covered at www.ikea.com/business. IKEA opened its first Michigan store in Canton in June 2006.

UNIVERSITY RESEARCH CORRIDOR ADDS ECONOMIC BENEFIT

Analysis by the University Research Corridor (URC) Michigan shows the state's three URC institutions—Michigan State, Wayne State and U-M helped create 68,803 Michigan jobs and produced \$12.8 billion of net economic benefit in 2006. More than 60 percent of URC alumni remain in Michigan. More at www.ns.umich.edu/htdocs/releases/story.php?id=6025

MICHIGAN A LEADER IN ONLINE EDUCATION

A study of the 50 states by the North American Council for Online Learning says Michigan is at the forefront of online education, led by Michigan Virtual High School, now the major operating unit of Michigan Virtual University. More than 8,500 students around Michigan will take online K-12 courses this year, up from 7,000 last year. Offerings include advanced placement and Mandarin Chinese through Michigan State's Confucius Institute. MVU's \$7 million annual funding comes from corporate support, revenue from the sale of courses and services, and state and federal grants.

COMPANY SUCCESSES

STATE GRANT SUPPORTS UNIVERSAL FOREST PRODUCTS EXPANSION IN WHITE PIGEON

Grand Rapids-based Universal Forest Products plans to invest nearly \$1.5 million in equipment, building and land improvements to expand manufacturing operations at its White Pigeon (Mottville Township) facility. The expansion is expected to create up to 80 new jobs. Universal is investing in equipment and building and land improvements to relocate some manufactured housing and recreational vehicle operations to White Pigeon from operations in Indiana that the company recently acquired. Economic development job training funds of \$22,000 for 105 current employees and four new hires at the White Pigeon facility were approved in February by the MEDC, with training provided through Glen Oaks Community College. The MEDC also was involved with providing training for employees at this facility in 2003 when Universal opened it and created 80 jobs.

ued at more than \$18.5 million over 15 years helped convince the company to choose Michigan over competing sites in 15 states. Pittsfield Township has approved a 12 year abatement worth \$304,000 to support the project.



AERNNOVA ENGINEERING BRINGING AEROSPACE ENGINEERING CENTER TO WASHTENAW COUNTY

The U.S. subsidiary of Spain-based Grupo Aernnova will invest approximately \$10 million to establish a new, state-of-the-art aerospace engineering center in Pittsfield Township. The project is expected to create 1,257 new Michigan jobs, including 600 directly by the company. A state tax credit val-

STATE BONDS SUPPORT HAVILAND, CENTERLINE ENGINEERING EXPANSIONS IN KENT COUNTY

Governor Granholm and MEDC President and CEO James C. Epolito announced that \$8.9 million in financing has been approved to support expansions by Haviland Products Company and Haviland Consumer Products Inc. in Walker and Grand Rapids and Centerline Engineering Inc. in Alpine Township through the use of the Private Activity Bond Program.

COMPANY SUCCESSES

THREE MACOMB COMPANIES JOIN TOOL & DIE RECOVERY ZONE COLLABORATIVES, GAIN TAX RELIEF

Three Macomb County tool and die shops have been admitted to existing Tool & Die Recovery Zones, allowing them to operate virtually free of all state and local taxes. Omega Plastics Inc. and Precision Boring Co., both in Clinton Township, and True Industries Inc., Roseville, will join the 12 member Eastern Michigan Tool & Die Collaborative. According to the most recently available information from the U.S. Bureau of Labor Statistics, Michigan has some 1,780 tool and die establishments with 35,831 employees, representing 19 percent of the U.S. total in the industry.



CREDIT ACCEPTANCE EXPAND SOUTHFIELD HEADQUARTERS

The growing auto finance company plans to expand its headquarters in Southfield. The company's \$3.8 million investment is expected to create 1,108 new jobs including 506 directly by Credit Acceptance. Thus far in 2007, the company added 107 team members in its Southfield headquarters. A state tax credit valued at more than \$4.6 million over seven years convinced the company to invest in Michigan over competing out-of-state sites. The city of Southfield will consider a three-year tax abatement valued at approximately \$144,000 to further support the project.

AZURE DYNAMICS RELOCATING FROM ONTARIO

Canada-based Azure Dynamics plans to relocate its headquarters and certain parts of its development, testing and production operations from Toronto, Ontario to Oak Park. The supplier of electric and hybrid-electric commercial vehicle control and powertrain systems is expected to create 251 new

jobs, 125 directly by the company. A state tax credit valued at more than \$1.7 million over seven years convinced the company to invest in Michigan over competing sites in Pennsylvania, Ohio, Illinois and Ontario. The city of Oak Park has approved an 11-year local tax abatement worth an estimated \$55,400 to help win the company's investment.

GRANVIC INVESTMENTS EXPANDING STANDISH OPERATIONS

The newly created, wholly owned subsidiary of PRA Company d.b.a. Vantage Plastics, a custom plastics thermoformer, will invest \$2.7 million to expand its operation in Standish. The project will create 136 new jobs, including 75 directly by the company. A state tax credit valued at \$388,000 over seven years helped convince the company to expand in Michigan. The city of Standish has approved a 10 year abatement worth \$117,000 to support the project.

MARS ADVERTISING/ PRIZE LOGIC JOINT VENTURE INVESTING \$1.7 MILLION TO EXPAND

A joint venture between MARS Advertising and Prize Logic, the company plans to invest \$1.7 million in a new Web-based promotions enterprise. The new venture, to be based at MARS headquarters in Southfield, is expected to create 193 jobs, 150 directly by the company. A state tax credit valued at more than \$1.9 million over 10 years convinced the company to invest in Michigan over a competing site in Arkansas. The city of Southfield has approved a local tax abatement valued at approximately \$18,000 to further support the project.

SYSCO FOOD SERVICES OF DETROIT EXPANDING IN CANTON

The wholly owned subsidiary of Sysco Corporation is considering investing approximately \$18 million in a 90,000 square-foot expansion of its facility in Canton. The project would create 199 new jobs, including 130 directly by the company. A state tax credit valued at \$2.2 million over nine years has been approved to support the project and Wayne County has proposed support through its Transforming Underdeveloped Residential & Business Opportunities program. The company would realize a savings of \$452,603 over six years.

NEW WIND INDUSTRY SUPPLIER FOR ALPENA

Thunder Bay Development LLC is planning to invest \$15 million to purchase and upgrade the former Thunder Bay manufacturing facility in Alpena. The company would be operated as part of Allegheny Technologies Inc. Casting Service, an Allegheny Technologies Incorporated company. ATI Casting Service manufactures grey and ductile iron castings for wind energy and other markets. The project is expected to create 368 new Michigan jobs, including 150 directly by the company. A state tax credit valued at more than \$1.8 million over seven years helped convince the company to pursue the Michigan facility instead of a site in Indiana. The city of Alpena has approved a nine-year abatement worth \$1.6 million to support the project.

GENESEE COUNTY LAND BANK AUTHORITY PLANS DEVELOPMENT

State and local tax capture valued at more than \$20.6 million will be deployed to revitalize and reuse tax reverted properties across Genesee County. Redevelopment activities will include demolition, lead and asbestos abatement and site preparation for up to 704 tax-foreclosed homes and buildings in the city of Flint. Approximately 100 structures will be demolished and 130 sites will be prepared for new development. The redevelopment will be led by the Genesee County Land Bank Authority and include additional properties in 15 communities in Genesee County, including the cities of Swartz Creek and Mt. Morris and Flint, Genesee, Gaines, Fenton, Flushing, Forest, Richfield, Mt. Morris, Grand Blanc, Thetford Davison and Argentine townships. The eight stories of the vacant Durant Hotel will see a \$20 million renovation and be converted to 109 two-bedroom apartments with retail and office space on the lower floors. The former Berridge Hotel will be redeveloped into 20 affordable housing and commercial units while the historic Tinlin Building adjacent will be redeveloped into four apartment units.

JOB TRAINING GRANTS TO CREATE, RETAIN 1,525 MANUFACTURING JOBS

A total of \$791,680 in Economic Development Job Training (EDJT) grants is being made available to upgrade the skills of 1,525 workers, including 469 new hires, employed by 11 companies in Berrien, Cass, Ingham, Ionia, Iosco, Kent,



Muskegon, Oakland, Ontonagon and Ottawa counties. The grants are provided by the MEDC. EDJT grants and training will be provided as follows:

- American Products in Muskegon: \$162,500 for 200 current employees and 125 new hires through Muskegon Community College
- Delta Machining in Niles: \$47,880 for 83 current employees through Southwestern Michigan College
- Howmet Castings in Whitehall: \$110,000 for 100 current employees and five new hires through Muskegon Community College
- Kalitta Air in Oscoda: \$60,000 for 125 current employees and 75 new hires through Alpena Community College
- Lankfer Diversified Industries in Kentwood: \$103,500 for 177 current employees and 30 new hires through Orchard View School District
- PGK Engineering in Troy: \$40,000 for 50 current employees and 30 new hires through Oakland Community College
- Roskam Baking Company in Grand Rapids: \$75,000 for 35 current employees and 165 new hires through Grand Rapids Community College
- Siemens Water Technology in Holland: \$40,000 for 175 current employees through Ottawa County Michigan Works!
- Smurfit-Stone Container in Ontonagon: \$18,000 for 14 current employees through Northern Michigan University
- Universal Forest Products in Lansing: \$24,800 for 58 current employees and four new hires through Lansing Community College
- Whirlpool Corporation in Benton Harbor: \$110,000 for 39 current employees and 35 new hires through Lake Michigan College.